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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Mark One

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-17263

CHAMPIONS SPORTS, INC.
(Exact name of registrant as specified in its charter)

Delaware	52-1401755
(State or other jurisdiction of organization)	(I.R.S. Employer Identification No.)

Suite 808, 200 N. Glebe Road, Arlington, VA 22203
(Address of principal executive offices)
(Zip code)

(703) 524-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No _____

As of January 31, 1992 the Registrant had a total of 4,782,696 shares of common stock outstanding, after giving effect of the 1 for 100 reverse stock split effective as of close of business on October 31, 1991.

This document contains 11 pages and no exhibits.

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CHAMPIONS SPORTS, Inc.

FORM 10-Q

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Champions Sports, Inc.
Consolidated Balance Sheets

	JANUARY 31 1992	APRIL 30, 1991
	(UNAUDITED)	
ASSETS		
Current assets		
Cash and cash equivalents	$821,053	$832,555
Notes receivable – trade	50,000	119,370
Accounts receivable, trade	168,820	308,156
Inventories	84,576	88,558
Prepaid expenses	33,369	21,151
Total current assets	1,157,818	1,369,790
Notes receivable	310,000	
Property and Equipment		
Furniture and Equipment	527,667	527,428
Leasehold improvements	722,537	722,537
	1,250,204	1,249,965
Accumulated depreciation and amortization	(272,297)	(192,953)
	977,907	1,057,012
Other assets		
Deferred charges		
Preopening costs	193,050	193,050
Organizational costs	2,577	2,577
	195,627	195,627
Accumulated amortization	(195,627)	(140,239)
	(0)	55,388
Deposits	79,059	54,822
Total assets	$2,524,784	$2,537,012
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$268,680	$528,412
Notes payable	824,734	866,434
Deferred revenues	75,000	2,500
Accrued payroll and payroll taxes	42,913	14,084
Current portion of long term debt	6,946	16,294
Other	14,700	95,959
Accrued rent		31,548
Total current liabilities	1,232,953	1,555,232
Long-term debt, excluding current portion	32,940	34,618
Deferred lease concession	117,444	59,106
Stockholders' equity		
Preferred stock, par value $10 per share, 800,000 shares authorized, 22,161 and 0 shares issued and outstanding at January 31, 1992 and April 30, 1991, respectively	221,606	0
Offering expense	(14,500)	
Common stock, par value $.001 per shre, 8,000,000 shares authorized, 4,782,696 and 4,647,696 shares issued and outstanding at January 31, 1992 and April 30, 1991, respectively	4,784	4,648
Additional paid-in-capital	2,868,528	2,867,314
Accumulated deficit	(1,939,971)	(1,983,906)
	1,141,447	888,056
Total liabilities and stockholders' equity	$2,524,784	$2,537,012

See accompanying notes to consolidated financial statements

CHAMPIONS SPORTS, INC.

Consolidated Statements of Income
(Unaudited)

	Three months ended January 31, 1992	Three months ended January 31, 1991	Nine months ended January 31, 1992	Nine months ended January 31, 1991
Revenue				
Restaurant and merchandise sales	$554,104	$791,490	$1,804,984	$2,859,910
Franchise, license and management fees	174,393	72,187	678,309	443,040
Interest Income	17,882	7,816	45,322	29,556
Consulting fees and other income	23,519	25,937	137,038	53,020
Nonrecurring licencing fees				1,000,000
	$769,898	$897,430	$2,465,743	$4,390,526
Expense				
Consolidated cost of goods sold	150,326	351,024	432,630	1,332,914
Restaurant and operating expenses	522,295	223,221	1,530,715	1,002,371
General and administrative expense	95,235	445,004	822,361	1,644,456
Loss reserve contingency		(147,000)		
	767,856	872,249	2,285,706	3,979,741
Net income from operations	$2,042	$25,181	$180,037	$410,785
Gain on disposal of subsidiary		33,316	73,998	33,316
Abandonment loss	8,527		209,100	
Net income/(Loss)	($6,485)	$58,497	$44,935	$444,101
Income/(Loss) per share after 1 for 100 stock split effective close of business October 31, 1991. *				
Weighted average number of common shares outstanding during the period	4,782,598	4,845,198	4,737,598	4,848,198
Net income/(loss) per share	($0.00)	$0.01	$0.01	$0.10

*The Income/(loss) per common share has been computed on the weighted average number of shares outstanding during the period. Warrants are not included as common stock equilvants in the compulsion of income per share since the effect would not be material.

See accompanying notes to consolidated financial statements.

CHAMPIONS SPORTS, INC.
Consolidated Statements of Cash Flows
Increase (Decrease) in Cash and Cash Equilavents

	Nine months ended January 31, 1992	Nine months ended January 31, 1991
Cash flows from operating activities:		
Net income	$44,935	$410,785
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities		
Depreciation and amortization	139,318	196,333
Abandonment loss	209,100	
(Increase) in investments		
(Gain) loss on sale of subsidary	(73,998)	(32,456)
(Increase) Decrease in notes receivable --trade	(240,630)	
(Increase) Decrease in accounts receivable	95,452	9,377
(Increase) Decrease in prepaid expenses	(12,216)	7,335
(Increase) Decrease in inventories	(9,104)	81,039
(Increase) Decrease in deposits	(25,003)	
(Decrease) Increase in accounts payable	(129,270)	8,668
(Decrease) Increase in accrued payroll and taxes	30,365	(21,275)
(Decrease) Increase in other current liabilities	(39,861)	(80,482)
(Decrease) Increase in accrued rent	(31,543)	(16,677)
(Decrease) Increase in deferred revenues	72,500	
(Decrease) Increase in deferred lease concession	58,336	
Total adjustments	43,460	151,862
Net cash provided by (used in) operating activities	88,395	562,667
Cash flows from investing activities:		
Purchases of property and equipment	(9,111)	
Assumption of obligations of disposed subsidary	(115,000)	
Net cash (used in) investing activities	(124,111)	0
Cash flows from financing activities:		
Proceeds from issuance of preferred stock	207,106	
Proceeds from from sale of stock issued upon exercise of warrants	1,350	
Proceeds from borrowings		750,000
Repayment of borrowings	(52,726)	(674,642)
Net cash provided by financing activities	155,730	75,358
Net adjustment for disposal of assets & liabilites of subsidary previously included in consolidated statements	(131,516)	
Net increase (decrease) in cash and cash equivalents	(11,502)	638,025
Cash and cash equivalents at April 30.	832,555	107,339
Cash and cash equivalents at January 31.	$821,053	$745,364

See accompanying notes to consolidate financial statements.

CHAMPIONS SPORTS, INC.

Notes to Consolidated Financial Statements

January 31, 1992

Summarized Financial Information

Company or group of companies for which report is filed:

CHAMPIONS Sports, Inc. and Subsidiaries

The consolidated balance sheet as of January 31, 1992, the consolidated statements of operations and the consolidated statements of cash flows for the three months ended and nine months ended January 31, 1992 and January 31, 1991 have been prepared by the company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flow at January 31, 1992 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the company's 10-K as of April 30, 1991. The results of operations for the period ended January 31, 1992 are not necessarily indicative of the operating results for the full year.

All of the share and per share results give retroactive effect the 1 for 100 reverse stock split that was effective October 31, 1991.

CHAMPIONS SPORTS, Inc.

Managements Discussions and Analysis of
Financial Condition and of Operations

For the nine months ended January 31, 1992

Results of Operation

Revenues for the quarter ended January 31, 1992 were $769,898 versus $897,430 for the quarter ended January 31, 1991, a decrease of $127,532 or 14.2%. Revenues for the nine months ended January were $2,465,743 versus $4,390,526 for the nine months ended January 31, 1991, a decline of $1,924,783 or 43.8%. This decline, for the quarter and nine month period, is attributed to the disposition of the company's subsidiary CHAMPIONS of Falls Church, Inc. during the quarter ended October 31, 1990, whose revenues were $620,169 and the sale of the company's subsidiary Equipment and Design of VA., Inc., during the quarter ended July 31, 1992 whose revenues were $731,837 for the nine months ended January 31, 1991, and the non-recurring licensing fee of $1,000,000 the company received during the quarter ended October 31, 1990 from Marriott Corporation whereby Marriott acquired the rights to use the "CHAMPIONS" trademark in selected hotels within the United States. For the nine month period ended January 31, 1992 and January 31, 1991, by component, restaurant and merchandise sales declined $1,224,926 from $2,859,910 to $1,604,984, Franchise, license and management fees were $678,399 as compared to $448,040 an increase of $230,359, and consulting fees and other income increased $84,018 from $53,020 to $137,038.

The company's operating expenses were $767,856 during the quarter ended January 31, 1992 versus $872,249 for the same period last year, a decrease of $104,393 or 12.0%. For the nine month period operating expenses were $2,285,706 as compared to $3,979,741 for the same period last year, a decrease of $1,694,035. Both for the quarter and for the nine month period, this decrease is attributed to the disposition of Equipment and Design of VA., Inc., improved profit margins in the wholly owned subsidiary CSBR which operates a CHAMPIONS Sports Bar and Restaurant in San Antonio, Texas, and reduction of corporate office operating expenses. Profit contribution from the San Antonio CHAMPIONS was $51,413 versus a loss of $1,196 for the nine months ended January 31, 1992 and 1991.

The results of the quarter produced an income from operations of $2,042, versus $25,181 for the same period last year, a decrease of $23,139. For the nine month period ended January 31, 1992, the company realized an income from operations of $180,037 versus $410,785 for the nine months ended January 31, 1991, a decrease of 56.2%. The company incurred an abandonment loss of $8,527 for the

third quarter and $209,100 for the nine month period relating to the termination of the management agreement with the Richmond Redevelopment and Housing Authority to manage and operate a CHAMPIONS Sports Bar and Restaurant in the 6th. Street Market Place in Richmond, Virginia. The CHAMPIONS Sports Bar and Restaurant in Richmond currently operates as an licensed CHAMPIONS, operated by T&M Associates, Inc., a Richmond, Virginia based corporation. The company realized a non recurring gain of $73,998 upon the sale of its subsidiary Equipment and Design of Virginia, during the quarter ended July 31, 1991. The net result of the quarter ended January 31, 1992 was a loss of $6,485 verus a profit of $58,497 for the same period last year. The net result for the nine months ended January 31, 1992 was a profit of $44,935 as compared to a profit of $444,101 for the nine month period ended January 31, 1991.

During the quarter ended October 31, 1991, the company commenced a Private Placement Offering, through a placement agent, of up to $500,000, 12% Convertible Cumulative Preferred Stock in Units consisting of 2,000 shares per Unit; dividends payable in cash or common stock at the election of the Issuer. This offer is made on a best effort basis and expires on March 31, 1992. The offering price of each Unit is $20,000. Each Unit is convertible into shares of common stock of the company. The number of shares into which each Unit is convertible is determined by dividing the original purchase price of the Unit by 50% of the closing Bid price of the common stock of the company on the conversion date.

Upon successful completion of the Private Placement, the company will receive net proceeds of up to approximately $405,000 if the maximum number of Units are sold after deducting expenses of the offering estimated at $95,000. Such expenses include sales commissions and fees, legal fees of special counsel to the company and "blue sky" fees and expenses and commissions of the Placement Agent. The net proceeds of the company will be used for general working capital purposes.

As of January 31, 1992, the company has issued 22,161 shares of its 12% Cumulative Convertible Preferred Stock, and incurred $14,500 in offering expense. The net proceeds to the company were $207,106, which the company has used for operating expenses. The company is presently seeking additional financing through this Private Placement and from other sources to underwrite it's continuing growth and operations. Without additional financing, the ongoing operations of the company cannot be assured.

Also, during the quarter ended January 31, 1992, the company entered into an agreement with Marriott Corporation in which Marriott will operate a CHAMPIONS Sports Bar and Restaurant at its hotels in the World Center Marriott, Orlando, Florida and in the Marriott - East in New York City. The first international CHAMPIONS is scheduled to open in the fall of 1992 at the Marriott hotel in Dubai in the United Arab Emirates. In addition, the

company completed an agreement with the investor group which owns the rights to three CHAMPIONS Sports Bar and Restaurants in Northern Virginia, for the rights to operate an additional seven CHAMPIONS Sports Bar and Restaurants in Virginia, Maryland and the District of Columbia. This investor group currently operates a CHAMPIONS in Fairfax, Virginia and expects to open another CHAMPIONS in Herndon, Virginia during April, 1992.

Liquidity and Capital Resources

The company had a working capital deficit of $75,135 at January 31, 1992 as compared to a working capital deficit of $185,442 on April 30, 1991, an increase of $110,307. The company's cash and cash equivalent position at January 31, 1992 was $821,053 as compared to $832,555 at April 30, 1991.

During the nine months ended January 31, 1992, the company's operations provided cash to the company. Cash provided by operating activities benefitted primarily by deferred revenues and depreciation expense which does not require cash. Net cash was provided by financing activities as a result of the funds totaling $207,106 received by the company from the sale of its Preferred Stock as described above in Results of Operations. The company reduced its outstanding debt by $52,726 during the nine month period ended January 31, 1992. The company invested $9,111 in the purchase of additional equipment by its wholly owned subsidiary CSBR, Inc. which operates the CHAMPIONS Sports Bar and Restaurant in San Antonio, Texas. The company assumed obligations of $75,000 and paid $40,000 in cash to its disposed subsidiary, Equipment and Design of Virginia, Inc.
During the balance of fiscal 1992, the company expects to meet its short term and long term liquidity and cash needs from funds generated through operations including the sale of additional franchises. As discussed above, the company is currently seeking external financing through a Private Placement of its Preferred Stock to supplement revenues from operations and to improve its working capital position. The company may also seek external financing through other private or public sources. Such financing may be required for the company to continue as a going concern in the event that the company's operations do not provide the necessary cash. No assurances can be given that such external financing will be obtained by the company in the amount required and, if available, that such financing is available on terms satisfactory to the company.

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed during quarter ended January 31, 1992.